

PEBB Perspective.

Washington State
Health Care Authority
Public Employees Benefits Board

Important Dates

October 21 - November 30

2003 open enrollment—your chance to change medical and/or dental plans, and add family members to your coverage.

October 22

Open enrollment benefits fairs begin. Look for the schedule with dates, times, and locations in this issue!

Washington State
Health Care Authority
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Public Employees
Benefits Board
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1-800-700-1555
360-412-4200
www.pebb.hca.wa.gov

To obtain this document in another format or to request special accommodations, call our Americans with Disabilities Act (ADA) Coordinator at 360-923-2805. TTY users (deaf, hard of hearing, or speech impaired), call 360-923-2701 or toll-free 1-888-923-5622.

HCA 50-658 (10/02)

This is your **ONLY** open enrollment notification

To find information on changes to your PEBB health coverage for 2003, go to the PEBB's Web site at www.pebb.hca.wa.gov. During the open enrollment period (October 21 - November 30, 2002) PEBB members can **make changes** to their 2003 coverage online.

To save on printing and mailing costs, **employees will not receive** an open enrollment booklet. You will find all 2003 open enrollment information online this year. A limited number of open enrollment booklets will be available upon request for only those employees who do not have Internet access through work, home, a friend, or a public library.

Like last year's open enrollment, the PEBB will also offer several online tools and services to help you make informed health plan choices for 2003.

■ **Compare-a-Plan** allows you to compare medical plans based on criteria important to you and your family, such as customer service and getting medical


**Compare
-a-Plan**

You will **not** receive a 2003 open enrollment booklet.

Where can you find information or make changes to your 2003 coverage?

Go to **www.pebb.hca.wa.gov**

or call **1-866-577-2793** to request a booklet.

care quickly, based on the experiences of other consumers. Based on the importance you assign each of the various criteria, Compare-a-Plan will evaluate the plans in your county.

■ Once you've used Compare-a-Plan to choose a medical plan, you can go to the **Provider Directory** to find a primary care provider, women's health care provider, hospital, or pharmacy that contracts with your plan. If you're changing medical plans, you'll also be able to find the physician or clinic code as required on e-Coverage (see next paragraph) or the 2003 *Medical and Dental Coverage Form*.



■ If you're interested in changing your medical or dental plan for 2003, waiving coverage, or reinstating coverage for an eligible family member who was previously waived, you can do so using **e-Coverage**. During open enrollment, e-Coverage is an online tool that will allow you to change your plans as many times as you change your mind!



Long-term disability and life insurance changes

- The Basic long-term disability benefit increases to 60% of the first \$400 of predisability earnings, up to \$240 maximum per month.
- The Part A Basic employee life insurance benefit increases from \$15,000 to \$25,000.
- The monthly cost for Part B Basic dependent life insurance decreases to \$0.65 per family, regardless of the number of dependents.
- Monthly costs for Part B Supplemental, Part C Optional, and Part D Supplemental will also decrease in 2003. Refer to the 2003 *Term Life & Accidental Death & Dismemberment Insurance Program* booklet for details.



For more information or to make changes to your 2003 coverage, go to www.pebb.hca.wa.gov.

Changes to your 2003 coverage

Plan availability

Find out if your medical plan is still available to you in 2003. If your medical plan is no longer available where you live, you need to select a different plan. Otherwise, you'll automatically be enrolled in the Uniform Medical Plan (UMP).

Plan changes

- **Aetna U.S. Healthcare Inc.** will no longer be available.
- **Community Health Plan of Washington** will not accept new members in 2003. Current members may be able to stay with Community Health Plan, or may choose a new plan. Community Health Plan members will receive a letter in October regarding their plan's changes.
- **Premera Blue Cross** has consolidated Premera BC/HealthPlus and Premera BC/MSD into a new product, **Premera Blue Cross/Foundation**. If you are currently enrolled in one of these plans, you will automatically be enrolled in Premera Blue Cross/Foundation unless you select a different plan. For more information, contact Premera Blue Cross.

Benefits changes

Managed care plans

- Prescription drugs (up to a month's supply) purchased at a retail pharmacy in your plan's network will have a \$25 copay for formulary brand-name drugs and a \$40 copay for non-formulary drugs. The \$10 copay for formulary generic drugs, all insulin, and all disposable diabetic supplies will remain the same.
- Prescriptions purchased through the plan's mail-order service (up to a 90-day supply) will have a \$50 copay for formulary brand-name drugs, and \$80 copay for non-formulary drugs. The \$20 copay for formulary generic drugs, insulin, and diabetic supplies will remain the same.

Exceptions: *Group Health Cooperative* and *Group Health Options* have only \$10 and \$30 copays for retail prescription drugs, and \$20 and \$40 copays for mail order. *Kaiser Permanente* has only \$10 and \$25 copays for retail prescription drugs, and \$20 and \$50 copays for mail order.

All changes are **effective January 1, 2003.**

For more information or to make changes, go to **www.pebb.hca.wa.gov.**

Uniform Medical Plan (UMP)

Prescription drugs will be reclassified into three tiers. See the chart on page 3 for details.

After the annual prescription drug deductible has been met, copays for network retail and mail order prescriptions will be as shown.

Other UMP changes

- The UMP will implement standard coordination of benefits. This means that the UMP will coordinate benefits with other group coverage so that between the two plans, covered services will be reimbursed up to 100% of allowed charges after the deductible has been met.
- The UMP will offer network benefits through the Beech Street Provider Network for enrollees who receive covered services in the U.S. outside of Washington and Oregon. When using this provider network, reimbursement will be 80% of allowed charges. If a network provider is available and you select a nonnetwork provider, reimbursement will be 60% of allowed charges. Contact the UMP for more information.

2003 monthly premiums

School district and employer group employees (who work for a city, county, port, water district, hospital, etc.) need to contact their payroll or personnel office to find out their monthly premiums.

PEBB Medical Plans	Employee	Employee & Spouse*	Employee & Child(ren)	Employee, Spouse,* & Child(ren)
Kaiser Foundation Health Plan of the Northwest	\$ 12	\$ 33	\$ 21	\$ 42
Group Health Cooperation of Puget Sound	30	69	52	91
Uniform Medical Plan	36	82	63	109
PacifiCare of Washington, Inc.	40	91	71	121
Group Health Options, Inc.	44	98	77	131
RegenceCare	54	118	94	158
Premiera Blue Cross	67	144	117	194

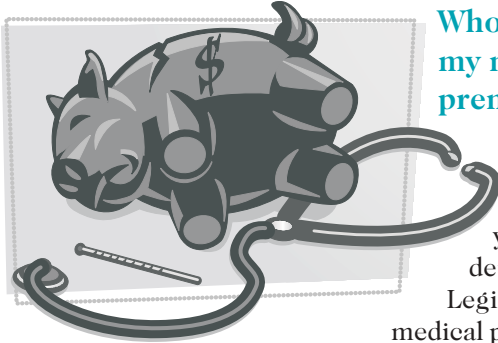
*or qualified same-sex domestic partner

UMP prescription drug benefit for 2003

	Enrollee's cost at a network retail pharmacy	Enrollee's cost using Home Delivery Pharmacy Service™ (mail order)
Tier 1 Generic drugs, all insulin, and all disposable diabetic supplies	Lesser of 20% coinsurance or maximum enrollee cost-share limit*	Lesser of a \$10 copay or cost of drug for up to a 90-day supply
Tier 2 Formulary single-source brand-name drugs	Lesser of 30% coinsurance or maximum enrollee cost-share limit*	Lesser of a \$40 copay or cost of drug for up to a 90-day supply
Tier 3 Non-formulary single-source brand-name and all multi-source brand-name drugs	50% coinsurance (maximum enrollee cost-share limit does not apply)	Lesser of a \$80 copay or cost of drug for up to a 90-day supply

*Tier 1 and Tier 2 drugs purchased at a UMP network pharmacy have a maximum enrollee cost-share limit, based on the number of days' supply purchased. For up to a 30-day supply, the limit is \$50; for a 31- to 60-day supply, \$100; for a 61- to 90-day supply, \$150. This limit does not apply to Tier 3 drugs or drugs purchased at a nonnetwork pharmacy.

Why are rates so much higher in 2003?



Who determines my medical plan premiums?

What you pay for your medical coverage next year is determined by the Legislature, the medical plans, and you.

Medical costs have increased tremendously this past year, which will raise the overall cost of providing health care to state and higher-education employees by an **average** of 20 percent in 2003.

How is this average determined?

It will cost \$652 million to provide health care coverage to state and higher-education employees in 2003. This includes the state's contribution as well as the monthly premiums paid by employees. This is a 20 percent increase over the 2002 cost.

Currently, state and higher-education employees pay an **average** of \$41 per month for their medical coverage. This amount varies based on the number of enrolled family members, and the health plan chosen. The 2003 **average** premium will be \$74 per month—those who cover only themselves will pay less; those who cover their full family will likely pay more.

The Legislature decides the funding to provide PEBB benefits each year. During the 2002 session, the Legislature decided that employees would share in the inflationary cost of their medical coverage—about an **average** of 12 percent in 2003, up from 8 percent in 2002. However, medical plans' rates during the Health Care Authority's procurement process came in higher than anticipated. Because of these higher rates, employees will pay an **average** of 14 percent of their medical plan rate in 2003. The state will pay the remaining **average** of 86 percent toward your health coverage costs, which include medical, dental, basic life, and basic long-term disability.

The medical plans develop their rates for 2003 based on the claims experience of their enrollees in 2002. Medical costs are increasing rapidly, due to:

- The development of new medical technologies, tests, and machines;
- New prescription drugs;

- A dramatic increase in prescription use;
- An increase in chronic diseases like diabetes, asthma, and heart disease; and
- PEBB employees are aging, and requiring more services.

The plan you choose for 2003 also determines your monthly premium. If your doctor participates with several PEBB medical plans, you can choose which plan provides the best value for you.

Can't the state get us a better deal?

Employers nationwide are seeing significant increases in their health plan premiums, and the PEBB program is no exception. The **average** increase of 20 percent for 2003 is reasonable given others' experiences and the cost of providing insurance.

The medical plans contracting to serve PEBB members have documented how much money they lost or made; many of them have been losing money, and some are breaking even. We thoroughly review the plans' bids with an independent actuarial firm, and ensure the rates are appropriate for the plans' anticipated business costs for next year.

We appreciate your patience during open enrollment!

During open enrollment, we receive approximately three times as many phone calls as the rest of the year. If our benefits specialists are helping other customers when you call, please be patient. A benefits specialist will answer your call as soon as possible.



For more information or to make changes to your 2003 coverage, go to www.pebb.hca.wa.gov.

Benefits fairs schedule

Bellingham

November 14, 2002

11 a.m. to 6 p.m.

Western Wash. University
Fairhaven Admin. Lounge
516 High Street

Cheney

October 25, 2002

11 a.m. to 6 p.m.

Eastern Washington University
Louise Anderson Hall
1st floor Lounge
Elm Street

Ellensburg

October 30, 2002

11 a.m. to 6 p.m.

Central Washington University
SUB Pit
400 East 8th Street

Everett

November 15, 2002

11 a.m. to 6 p.m.

Everett Comm. College
Jackson Center
2000 Tower Street

Lacey

October 28, 2002

11 a.m. to 6 p.m.

Saint Martin's College
Worthington Conf. Center
5300 Pacific Avenue SE

Olympia

November 6, 2002

11 a.m. to 6 p.m.

Transportation Bldg.
Lobby
310 Maple Park

Port Angeles

November 13, 2002

11 a.m. to 6 p.m.

Peninsula College
1502 E. Lauridsen Blvd.
Room A-12

Pullman

October 23, 2002

11 a.m. to 6 p.m.

Wash. State University
French Admin. Building
Stadium Way & Wilson Road

Richland

October 28, 2002

11 a.m. to 6 p.m.

Wash. State University -
Tri-Cities
Atrium - West Building
2710 University Drive

Seattle

October 29, 2002

10 a.m. to 4 p.m.

University of Washington
Harborview Medical Center
Research and Training Bldg.
Lobby
325 Ninth Avenue

October 30, 2002

10 a.m. to 4 p.m.

University of Washington
Medical Center
Health Sciences Lobbies
1959 NE Pacific

October 31, 2002

10 a.m. to 4 p.m.

University of Washington
HUB West Ballroom

November 7, 2002

11 a.m. to 6 p.m.

South Seattle Community
College
Jerry Brockey - Auditorium
6000 16th Avenue SW

Spokane

October 24, 2002

11 a.m. to 6 p.m.

Spokane Community College
Lair Building
Littlefoot Rms. A, B, &
Sasquatch
1810 Greene Street

Tacoma

November 8, 2002

11 a.m. to 6 p.m.

Tacoma Community College
Student Center Building 11
6501 South 19th Street

Vancouver

November 1, 2002

11 a.m. to 6 p.m.

Clark College
Gaiser Hall - Central
Concourse
1800 East McLoughlin Blvd.

Walla Walla

October 22, 2002

11 a.m. to 6 p.m.

Walla Walla Comm. College
Conf. Center 185 - A, B, & C
500 Tausick Way

Wenatchee

October 31, 2002

11 a.m. to 6 p.m.

Wenatchee Valley College
Campus Theatre
1300 Fifth Street

Yakima

October 29, 2002

11 a.m. to 6 p.m.

Yakima DoubleTree
1507 North 1st Street
Wapato/Naches Rooms

For more information on PEBB health plans, attend a benefits fair in your area. The times and places are listed at the left. Maps to the benefits fairs are also available online at www.pebb.hca.wa.gov.



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Ways to help lower the trend of medical costs for you and the state

The annual trend of health care increases is in excess of 20 percent--and the costs of medical care will continue to increase for both enrollees and the state. Here are some ways to keep those costs down and work together to get the best value for your health care dollar:

- Ask your doctor or other provider if (s)he participates with a plan that offers a lower employee premium. Many doctors contract with more than one medical plan, and may participate with a lower-cost plan in your area.
- Ask for generic drugs. When your doctor prescribes a new drug for you, ask if there is a generic alternative that would be equally safe and appropriate. This will result in a lower copay for you.
- Use your plan's mail-order pharmacy service. For your maintenance medications (those you take regularly), using your medical plan's pharmacy mail-order service will cost you less in copays than through a retail pharmacy. Plus, it saves you a trip to the store!
- Take advantage of your plan's preventive care and other health benefits. All of the PEBB's contracting medical and dental plans cover preventive care services at no cost to you (subject to the plan's schedule), so why not take advantage of maintaining your health? Other medical plan benefits include smoking cessation services, diabetes education, and regular physicals at little or no cost to you. These services may help detect some health concerns early, saving you from future health problems and higher costs. Contact your plan for details.
- Take advantage of health plans that bring the best value to you and the state. PEBB contracts with the best valued health plans. For more information about which medical plans perform better, use the Compare-a-Plan tool on PEBB's Web site at www.pebb.hca.wa.gov.

PEBB open enrollment is October 21 - November 30, 2002

— Governor Gary Locke

"I encourage all state employees to use the HCA's Web site to participate in the 2003 open enrollment. This will reduce postage and printing and help lower the costs for employees and taxpayers alike."

Change Service Requested

HCA 50-658 (10/02)
Olympia, WA 98504-2684
P.O. Box 42684

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**Please
read!**
This is the ONLY
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